

AMENDED IN SENATE JUNE 4, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 26, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1928**

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**Introduced by Assembly Member Bocanegra**

February 19, 2014

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An act to add Section 25600.3 to *the* Business and Professions Code, relating to alcoholic beverages.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1928, as amended, Bocanegra. Alcoholic beverages: coupons: beer.

(1) The Alcoholic Beverage Control Act prohibits any licensee from giving any premium, gift, or free goods in connection with the sale or distribution of any alcoholic beverage, except as specifically authorized. The act provides that a violation of any of its provisions for which another penalty or punishment is not specifically provided is a misdemeanor.

This bill would prohibit a beer manufacturer or a beer and wine wholesaler from offering, funding, producing, sponsoring, promoting, furnishing, or redeeming any type of coupon. The bill would also prohibit a licensee authorized to sell alcoholic beverages at retail from accepting, redeeming, possessing, or utilizing any type of coupon that is funded, produced, sponsored, promoted, or furnished by a beer manufacturer or beer and wine wholesaler. The bill would define beer manufacturer and coupon for these purposes and would except from the definition of coupon certain rebates, coupons, and discounts. By

expanding the definition of a crime by imposing additional duties on a licensee under the act, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 25600.3 is added to the Business and  
2 Professions Code, to read:

3 25600.3. (a) A beer manufacturer or a beer and wine  
4 wholesaler shall not offer, fund, produce, sponsor, promote, furnish,  
5 or redeem any type of coupon.

6 (b) A licensee authorized to sell alcoholic beverages at retail  
7 shall not accept, redeem, possess, or utilize any type of coupon  
8 that is funded, produced, sponsored, promoted, or furnished by a  
9 beer manufacturer or beer and wine wholesaler.

10 (c) For purposes of this section:

11 (1) "Beer manufacturer" means a holder of a beer manufacturer's  
12 license, a holder of an out-of-state beer manufacturer's certificate,  
13 a holder of a beer and wine importer's general license when selling  
14 beer, malt beverages, cider, or perry, or a winegrower that is a  
15 wholly owned subsidiary of a beer manufacturer.

16 (2) "Cider" has the same meaning set forth in Section 4.21(e)(5)  
17 of the Code of Federal Regulations.

18 (3) "Coupon" means any method by which a consumer receives  
19 an instant discount at the time of a purchase that is funded,  
20 produced, sponsored, promoted, or furnished, either directly or  
21 indirectly, by a beer manufacturer or beer and wine wholesaler,  
22 including, but not limited to, a paper coupon, a digital coupon, an  
23 instant redeemable coupon (IRC), or an electronic coupon  
24 commonly referred to as a scan or scanback. "Coupon" does not  
25 include:

1 (A) A mail-in rebate by which the consumer purchases an item  
2 and submits required information in order to receive a rebate or  
3 discount from the beer manufacturer.

4 (B) A coupon that is offered and funded by a distilled spirits  
5 manufacturer, distilled spirits importer general, distilled spirits  
6 importer, or distilled spirits wholesaler that offers a discount on  
7 the purchase of a distilled spirits product if beer, malt beverages,  
8 cider, or perry are not advertised in connection with the coupon.

9 (C) A coupon offered and funded by a winegrower, a wine  
10 rectifier, a wine blender, *a beer and wine wholesaler*, a beer and  
11 wine importer, a beer and wine importer general, or a wine broker  
12 that offers a discount on the purchase of a wine product if beer,  
13 malt beverages, cider, or perry are not advertised in connection  
14 with the coupon.

15 (D) A discount that is offered and funded by a beer manufacturer  
16 on the purchase of beer, malt beverages, cider, or perry at the  
17 licensed premises of production or other licensed premises owned  
18 and operated by the beer manufacturer.

19 (4) “Perry” has the same meaning set forth in Section 4.21(e)(5)  
20 of the Code of Federal Regulations.

21 SEC. 2. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution because  
23 the only costs that may be incurred by a local agency or school  
24 district will be incurred because this act creates a new crime or  
25 infraction, eliminates a crime or infraction, or changes the penalty  
26 for a crime or infraction, within the meaning of Section 17556 of  
27 the Government Code, or changes the definition of a crime within  
28 the meaning of Section 6 of Article XIII B of the California  
29 Constitution.